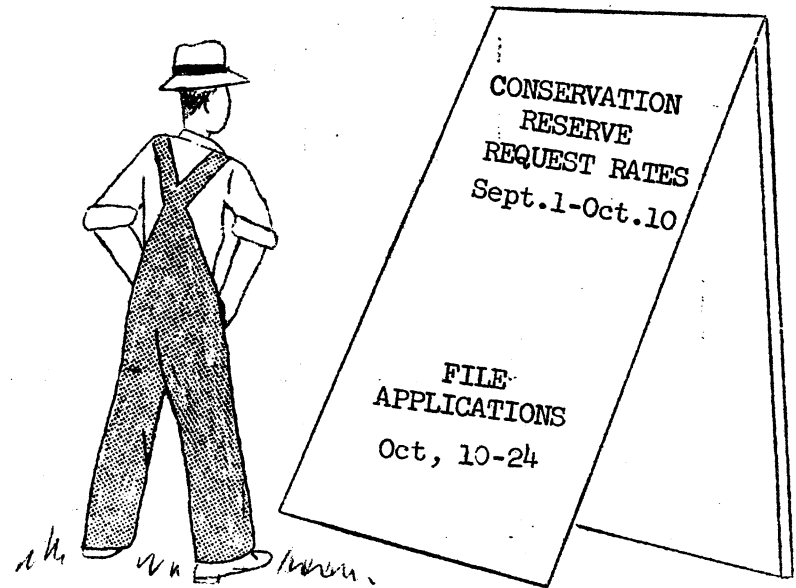


EXTENSION FACTS LEAFLET
ON THE 1959
CONSERVATION RESERVE
PHASE OF THE SOIL BANK

The objectives of the conservation reserve are:

- (1) To help adjust crop production more nearly in line with demand.
- (2) To establish and maintain sound conservation practices.

The Soil Bank Act had two distinct parts -- the acreage reserve and the conservation reserve. The acreage reserve phase will not be in operation during 1959. The conservation reserve will be in operation and is a long-time program. Better land use is to be encouraged by the establishment of grass, trees, or ponds on land that is presently being used to produce crops.



by
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858/4800

The Ohio State University cooperating with the U. S.
Department of Agriculture, Agricultural Extension
Service, W. B. Wood, Director, Columbus, Ohio
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The 1959 Conservation Reserve

(Items marked * are new or significantly different from year ago.)

1. What is the purpose of the conservation reserve program?

It is a long-term program designed to withdraw eligible cropland from production and help adjust total crop production more nearly in line with demand. It is designed to assist producers in establishing vegetative cover, trees, water storage facilities, other soil and water or wildlife conserving practices on land regularly used in the production of crops.

*2. Will there be an acreage reserve program in 1959?

No. The acreage reserve program under which farmers earned payments for reducing below their allotted acres of basic crops has been discontinued.

*3. What are the conservation reserve goals in the United States and Ohio?

The goal for the United States is 31 million acres by 1960. There have been 10 million acres placed in the conservation reserve in the 1956-58 period. The goal for Ohio is 421,000 acres of cropland by 1960. The 1959 goal for Ohio is 219,000 acres to be placed in the conservation reserve.

4. Who is eligible to participate?

Any farmer who has eligible land and voluntarily signs a contract for a definite period of years. (See questions 18-23.)

5. Does participation affect my future allotments?

Most farms have a base from which acreage allotments are determined. Participation in the conservation reserve will not lower the historical base acreage for allotment purposes. Future allotments will not be reduced because of participation in the conservation reserve.

6. What payments am I eligible to receive?

You will be eligible to receive annual payments for removal of land from production and cost-share payments for improvement practices.

7. What will be the amount of the annual payment?

The regular annual payment rate will average \$19.00 per acre in Ohio. The average payments per acre vary from \$14.20 to \$22.60 in Ohio's 88 counties. The U. S. average rental payment will be \$13.50 per acre.

*8. Is there a premium or bonus for placing all eligible land in the conservation reserve?

Yes. When all eligible land on the farm is placed in the conservation reserve program for 5 or 10 year periods the farm compensation will be increased by 10%.

*9. Is there a maximum payment per acre which the ASC cannot exceed?

The ASC cannot pay more than the smaller of:

- a. \$25.00 per acre on any farm in the U.S., or
- b. The maximum annual payment established for any farm where a portion of the eligible acres are placed in the conservation reserve, or
- c. 20% of the agricultural value of the land.

NOTE: When all eligible acres are placed in the conservation reserve for 5 or 10 years, the annual payment is increased 10%. This can be above the maximum annual farm payment, but still cannot exceed \$25.00 per acre.

*10. What is the status of payment rates on contracts started in the 1956-58 period?

The government considers these contracts to be firm. They were entered into on a voluntary basis and cannot be modified to take advantage of a possible higher rate which might or might not be set for the farm.

11. How and when will payments be made?

Annual payments will be made after October 1 of the calendar year in which they are due. The ASC committee has to determine the producer's "soil bank base crops" and other land use on the farm. Annual payment will be by check. Cost-share payments will be made after completion of the practices.

12. How are the annual payments computed for each county?

The state ASC will establish an average annual payment rate for each county, based on:

- a. The value of the land (excluding buildings),
- b. Productivity index of land in the county,
- c. 1956-58 conservation reserve payment rates for the county.

*13. Will each farm have payment rates established for it individually?

Yes. Farmers requesting will have the rate established. Productivity, agricultural value and rental rates will be considered by the ASC in establishing payment rates for each farm. The upper limit for any farm in a county is 150% of the average county rate.

*14. What is the maximum cost-share payment?

Usually, the maximum share of the cost for carrying out an approved practice on the conservation reserve will be the same percentage of the cost as for the ACP Program. (See question 45)

15. Are there any maximum acreage limits per farm in the conservation reserve?

There is no limit to the maximum number of eligible acres which can be placed in the conservation reserve except the number of eligible acres on the farm. However, there is a limit of \$5,000.00 annual payment to any producer for any program year with respect to all farms in which he has an interest. In case all eligible land on a farm is designated as conservation reserve, approval might be secured to exceed the \$5,000.00 limit.

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16. What are the minimum participation requirements?

The minimum acreage which may be placed in the conservation reserve on a farm is five acres. The following is an exception:

- a. The minimum is two acres where the entire acreage in the conservation reserve is planted in tree cover. The minimum is two acres where tree cover is to be established, even though other land on the farm is placed in the conservation reserve.

17. Can I choose the land I want to place in the conservation reserve?

Farmers will be asked to designate the specific tract(s) when signing an agreement. The land designated must be eligible land.

*18. Which land is eligible for the conservation reserve?

Land eligible for the conservation reserve includes:

- a. Land which was tilled or was in regular crop rotation (rotated cropland) during 1958. Land which was not actually tilled or in regular rotation in 1958 because of adverse weather might be approved by the ASC if it were tilled or in regular rotation sometime in the last five years.
- *b. Land from which perennial grasses or legumes were harvested in either 1957 or 1958 and the stand is normally established for hay by land preparation and seeding. This is commonly called semi-permanent meadow or tame hay.

19. Which land is not eligible for the conservation reserve?

- a. Land covered by water previous to the contract or land planted to small fruit, nursery stock or orchard trees is not eligible. Land between the rows of fruit trees, etc. is not eligible.
- b. Land owned by the Federal Government or by a corporation wholly owned by the Federal Government is not eligible.
- c. New land brought into crop use since January 1, 1957 which is not offset by retirement of an equal acreage into non-crop use is not eligible.
- d. Land on a farm where a change in ownership occurs is not eligible the first year of ownership unless the new owner would normally operate the farm, or in the case the farm was previously operated by a tenant, the new owner continues to operate the farm with a tenant.
- e. Land in permanent pasture, woodlot, farmsteads, lanes, etc. is not eligible.

20. Do I sign a contract?

All farmers wishing to participate sign contracts. Requirements for signing contracts are as follows:

- a. A contract must be signed by the farm owner or owners.

- b. The farm operator may sign in lieu of the owner if he is a cash tenant (but not a share tenant) for the entire contract period.
- c. Farm operators, if other than the owner and a share tenant, must sign with the owner.
- d. Producers not having any control of the farm are not required to sign the contract.

21. What is the length of the contract?

The contracts are for not less than three years nor more than ten years. The length depends upon the owner's wishes and the conservation practice to be followed on the designated acres.

- a. If adequate vegetative cover is present and no cost sharing payment is involved, the contract is for a minimum of three years and can be five or ten years if the producer so elects.
- b. If vegetative cover needs to be established, the minimum is five years or ten years if the producer so elects.
- c. For pond construction on designated conservation reserve acres, the minimum is for five years and can be ten years if the producer so elects.
- d. For establishment of trees, the contract is for ten years.

22. What do I agree to if I sign a conservation reserve agreement?

Producers participating in the conservation reserve must agree among other things to:

- a. Harvest no crop on designated acres during the contract. Trees, except Christmas trees, can be harvested in accord with good forestry management. Wildlife may be taken from the reserve and fish from ponds. Charges can be made for fishing or hunting on the conservation reserve land by farmers, but the area cannot be developed as a commercial hunting and fishing enterprise.
- b. Permit no grazing on the designated areas during the contract. The Secretary of Agriculture may permit grazing in case of natural disaster.
- c. Control the spread of noxious weeds -- Johnsongrass, quackgrass and Canada thistle -- without reimbursement. The county ASC will specify practices that can be used.
- d. Establish and/or maintain an ASC approved cover crop. The cover crop shall be perennial grasses and must protect against erosion. Cost-share payments may be collected for establishment of cover.

23. What other things must I agree to if I sign a conservation reserve agreement?

- a. Comply with tobacco, corn and wheat allotments. The 15-acre provision is considered compliance with the wheat allotment. Also 30 acres of wheat can be grown if it is used for feed, seed or food on the farm, provided application is made for the 30-acre exemption before wheat is seeded.
- b. Not to use water for irrigation of crops from ponds established under the contract. Irrigation from these ponds is permissible only on designated conservation reserve acres. Water from these ponds may be used for livestock if it is piped off the conservation reserve area.
- c. Limit the acreage of what are called "soil bank base crops" on the farm. Non-cropland brought into production shall be a violation unless prior approval of ASC is received and an equal acreage is restored to permanent vegetative cover.

*24. What is the procedure for signing conservation reserve contracts?

The following steps are necessary in signing conservation reserve contracts:

- *a. September 1 - October 10 -- Each interested farmer requests the county ASC to establish maximum annual payment rates for his farm. Each farmer should be prepared to supply information on acreages, yields and value of land. The ASC committee completes maximum annual payment rate and sends this information, along with an application form, to each farmer requesting the information. A request for maximum annual payment does not commit a farmer to a contract.
- *b. October 10 - 24 -- Each farmer desiring to participate completes the application showing how much cropland he wants to place under contract, the length of contract he desires, the cover practice requested, and the rate of annual payment for which he will offer his land. The deadline for filing the application is October 24. He can change his application through October 24 but not afterwards.
- *c. October 25 - December 1 -- The ASC visits the farm to examine eligibility and determine acreage. Contracts will be offered, within available funds, in order of their priority. The contract is then signed by the farmer and approved by the county ASC committee.
- *d. January 1, 1959 -- The contract obligations become effective.

*25. Is there any possibility of a signup period after January 1, 1959?

Yes. If there are not enough acceptable offers to utilize the available funds, a second signup period is a possibility for contracts beginning in 1959.

*26. Is this the last year that contracts can be initiated?

No. Under present legislation contracts can be initiated in 1959 to become effective in 1960, provided Congress appropriates funds for payments on land to be under contract in 1960.

27. What can a farmer do when he has an existing conservation reserve contract on a portion of his farm that expires in 1961 and wants to place additional land in the conservation reserve in 1959?

He should contact his local ASC office and discuss the alternatives with them.

28. What is the order of priority of accepting offers or "bids" to place land in the conservation reserve?

- a. Farmers having all their cropland in the soil bank in 1958 -- the acreage reserve and conservation reserve combined -- and who offer to place all the land in the 1959 conservation reserve, have the first opportunity.
- b. Following the above group, the ASC will next accept bids from farmers offering land at the lowest percentage rate compared with the applicable maximum rate.

29. How does the ASC determine the lowest rate in accepting the offers?

The ASC will compute the percent that the farmer's offer is of his maximum payment rate.

Farmer A in X County has a maximum payment rate of \$22.00 per acre. He offers his eligible acreage for \$20.00 per acre. This is 90.01% of his maximum rate.

Farmer B in X County has a maximum rate of \$18.00 per acre. He offers his eligible acreage to the ASC for \$16.00 per acre. This is 88.89% of his maximum rate.

The ASC of X County would accept Farmer B's offer first.

Farmer C in Y County has a maximum payment rate of \$29.00 per acre. He offers his land at \$25.00 per acre. (This is the maximum that ASC can accept.) His offer is 86.21% of his maximum rate.

Farmer D in Y County has a maximum payment rate of \$17.00. He offers his land at \$16.00 per acre. This is 94.12% of his maximum rate.

The ASC of Y County would accept Farmer C's bid first.

30. What priority operates if a number of applications have offers that are the same percentage of the maximum rate?

Priority in accepting contracts will be in the following order:

- a. Applications offering land at the lowest maximum payment rate per acre.
- b. Applications offering the farm's total eligible acreage.
- c. Applications offering land for the longest period of time.
- d. If equal priorities still remain, final determination will be made by drawing of lots.

- *31. Can an application be made at the same payment rate as established for the farm by the ASC committee?

Yes, but if there are other offers on file at rates less than the maximum established by ASC, the offer will receive lower priority for acceptance and if funds allocated to the county are exhausted, it will be rejected.

32. Can I terminate a contract before it expires?

Applications may be modified any time prior to October 24, 1958. Contracts cannot be terminated after the contract is signed unless the operator becomes physically or mentally disabled, making it impossible to fulfill the contract.

33. If there is a change in ownership, does the new owner have to comply with the contract?

No. The contract is with the operator and not the land. The contract is automatically terminated with a change in ownership. The new owner can voluntarily request the continuation of the contract providing he is willing to fulfill its obligations. If the new owner does not choose to enter into the contract, the original owner must refund any money received as cost-share for practice applications.

34. What happens if there is a change in tenants?

The new tenant may be substituted under the contract. He will need to sign the contract. The tenant leaving the farm will have his contract terminated. If the change occurs after crops are planted, the original tenant receives the payment for that year. If the change occurs before the crops are planted, the new tenant may receive the payment if a new agreement is signed?

- a. It is the average acreage on the farm devoted to the "soil bank base crops" during the two years immediately preceding the first year (1957 and 1958) of the conservation reserve contract.
- *b. No soil bank base need be determined if all eligible land is to be placed in the conservation reserve. If only a portion of the eligible land is to be placed in the conservation reserve the "soil bank base" will need to be determined.

36. What are the "soil bank base crops"?

The principle "soil bank base crops" in Ohio are corn, all small grains, soybeans, field peas and beans, tobacco, vegetables for fresh marketing or processing, potatoes and sugar beets. Annual grasses are considered "soil bank base crops" if seed is harvested.

37. What if I grow more than one crop on the same land in the same year?

When more than one crop is produced on the same land in one year and one of the crops is a "soil bank base crop", the land will be considered as having a "soil bank base crop" for the entire year.

38. How can I determine my "farm soil bank base" for 1959?

Determine the total acreage of "soil bank base crops" for 1957 and 1958. Add the number of acres in the acreage reserve and conservation reserve at the regular rate and divide the total by 2 and round to the next whole number. This gives the "soil bank base". A "soil bank base" already established for the farm will stand.

Farmer E had 40 acres of corn in 1957 and grew 35 acres of corn in 1958. He grew 14 and 12 acres of wheat and has grown 22 and 31 acres of oats in 1957 and 1958 respectively. He placed 5 acres in the corn acreage reserve in 1958. These are his only "soil bank base crops" as he has used all his meadow for hay and pasture except the 5 acres in the 1958 acreage reserve.

Soil bank base crops in 1957	-	76 acres
Soil bank base crops in 1958	-	78 acres
Acreage reserve in 1958	-	5 acres
Total		159 acres

Soil bank base $(159 \div 2 = 79.5)$ 80 acres

Farmer F has grown 90 and 80 acres of corn, 19 and 18 acres of wheat, 4 and 5 acres of sugar beets, 6 and 7 acres of tomatoes, and 30 and 35 acres of soybeans in 1957 and 1958 respectively. The remainder of his cropland was in hay and pasture.

Soil bank base crops in 1957	-	149 acres
Soil bank base crops in 1958	-	145 acres
Acreage reserve	-	0 acres
Total		294 acres

Soil bank base $(294 \div 2)$ - 147 acres

39. I did not have the opportunity to plant all of my "soil bank base crops" because of weather conditions. Are adjustments possible?

Adjustments for an individual crop acreage can be made for the years preceding the signing of the contract. Adjustments can be made upward or downward for (1) abnormal weather or (2) change in rotation. In both cases the established normal cropping pattern will be considered by the county ASC committee. The ASC committee can adjust to eliminate credit for crops grown on land not considered cropland since December 31, 1956.

40. How many acres of "soil bank base crops" can I harvest in any year?

The permitted acreage of "soil bank base crops" which may be harvested when only a portion of the farm is placed in the conservation reserve is the "farm soil bank base" minus the acreage placed in the conservation reserve at the regular rate. In other words, permitted acres is the acreage of grain crops that can be harvested.

Farmer G has a farm soil bank base of 89 acres. He places 10 acres in the conservation reserve. His permitted acreage is 79 acres.

Farmer H has a farm soil bank base of 100 acres. He designates 15 acres for the conservation reserve. The permitted acreage is 85 acres.

*41. Can I place eligible land on my farm not included in the "farm soil bank base" in the conservation reserve?

This eligible land (rotated meadow or semi-permanent meadow) can be placed in the conservation reserve at the non-diversion rate. The non-diversion rate usually applies only when a portion of the total eligible acres is placed in the conservation reserve. There are limits, however, on the amount which may be placed in the conservation reserve at the non-diversion rate (See question 44b).

*42. What is the "non-diversion" rate?

This rate is 50% of the annual farm payment, rounded to the nearest ten cents. The regular annual rate averages \$19.00 per acre in Ohio. Taking 50% of \$19.00 equals \$9.50 per acre as the average non-diversion rate for Ohio.

*43. Are there any special provisions so that a farmer with a small "farm soil bank base" can participate?

Farms with not more than a 30-acre soil bank base have a number of alternatives:

- a. One method would be to place any amount of eligible land up to the "farm soil bank base" in the conservation reserve. He would receive the regular payment rate.

Farmer I has a 55-acre farm. There are 42 acres of rotated cropland. He has grown an average of 13 acres of corn, 8 acres of wheat and 5 acres of oats. This makes a "farm soil bank base" acreage of 26 acres. He has 16 acres of rotated meadowland. He has 10 acres of perennial meadow that was established by normal seeding methods. He has harvested hay in the last two years from the 10-acre field. He could place 26 acres in the conservation reserve at \$19.00 per acre (state average). His permitted acreage would be 0 acres. Multiply 26 acres times \$19.00 equals \$494.00.

- b. In addition to what is done in the above methods, he could place in the conservation reserve at the non-diversion rate any amount of eligible land which he does not put into the conservation reserve at the regular rate. This would be meadowland.

Farmer I of the previous example had 16 acres of rotated meadow land. Up to 16 acres could be placed in the conservation reserve at the non-diversion rate of \$9.50 per acre (state average). He could continue to grow the corn, wheat and oats as usual on the 26-acre "soil bank base". He would receive \$152.00 (16 acres X \$9.50 per acre). He could not harvest or graze the designated conservation reserve acreage.

- c. Another alternative is to place land in the conservation reserve at both the regular and non-diversion rates. This would be both grain and meadowland.

Farmer I could place 5 acres of land in the conservation reserve at the regular rate. The return would be \$95.00 (5 acres X \$19.00 per acre). He could also place 5 acres of meadowland in the conservation reserve at the non-diversion rate (5 acres X \$9.50 per acre). The return would total \$142.50. The permitted acreage is 21 acres (26 acre "farm soil bank base" less 5 acres placed in the conservation reserve at the regular rate).

- *d. Another alternative is to place the entire eligible acreage in the conservation reserve. All eligible land (rotated cropland and semi-permanent meadow) is eligible for the regular annual payment plus the 10% premium. There is no need to determine the "soil bank base" in this case. He can harvest no crops.

Farmer I has 52 acres of eligible land which includes 42 acres of rotated cropland plus 10 acres of semi-permanent meadow. He would receive \$1086.80 (52 acres X \$19.00 = \$988.00 X 10% = \$98.80 + \$988.00 = \$1086.80).

*44. What provisions apply to farms with more than a 30-acre "soil bank base"?

Farms with more than a 30-acre "farm soil bank base" have a number of alternatives:

- a. One method is to place in the conservation reserve any amount of eligible land up to the "farm soil bank base". He would receive the regular rate of \$19.00 per acre (state average).

Farmer J has a 260-acre farm with 220 acres of eligible land (rotated cropland and semi-permanent meadow). His "soil bank base" is 120 acres. He has 95 acres of rotated meadow and 25 acres of perennial meadow. The remaining 40 acres are permanent pasture, woodland, farmstead and land. He could place a minimum of 5 acres in the conservation reserve. He would receive \$95.00 (5 acres X \$19.00). His permitted acreage is 115 acres (120 acre soil bank base minus 5 acres in the conservation reserve).

- b. Another method is to place land in the conservation reserve at both the regular and non-diversion rates. This would be land from "soil bank base" acreage and from eligible meadowland. Where land has been put in the conservation reserve at the regular rate, up to an equal acreage of eligible land may be put in the conservation reserve at the non-diversion rate. He cannot put more than an equal amount in at the non-diversion rate unless he placed all remaining eligible land on the farm in the conservation reserve.

Farmer J could place 20 acres in the conservation reserve at the regular rate and receive \$380.00 (20 acres X \$19.00). He can then place a maximum of 20 acres in the conservation reserve at the non-diversion rate. His payment on this portion would be \$190.00 (20 acres X \$9.50). He would receive \$380.00 plus \$190.00 or a total of \$570.00. His permitted acreage is 100 acres.

- *c. Another method would be to place all of the eligible land (rotated cropland and semi-permanent meadow) in the conservation reserve. He would receive the regular rate for the total eligible acres. There is no need to use the "farm soil bank base" in this case. The regular rate applies to all eligible acres and he will receive the 10% premium.

Farmer J has 220 acres of eligible land. He can place 220 acres in at the regular rate (\$19.00). He is eligible for the 10% premium for placing all eligible land in the conservation reserve. The reimbursement on the 220 acres would be \$4,598.00 (220 acres X \$19.00 = \$4,180.00; \$4,180.00 X 10% = \$418.00; \$4,180.00 + \$418.00 = \$4,598.00). No crops can be harvested.

*45. What are some of the main practices that are eligible for cost-sharing?

Approved conservation practices can vary from county to county in Ohio. These practices must meet the requirements of the comparable ACP practices. The cost share cannot exceed that of the comparable ACP payment. Maximum cost share rates and practice specifications for 1959 for both conservation reserve and ACP will be announced about September 1, 1958. For more details, contact your county ASC office. Conservation practices eligible for cost-sharing are as follows:

- a. Establishment of permanent vegetative cover.
- b. Tree planting for reforestation purposes.

No. payment will be made for orchard, ornamental or Christmas trees. There is no intent to subsidize commercial Christmas tree production.

- c. Establishment and management of cover beneficial to wildlife.

These special plantings might be a windbreak or shelter belts, travel lanes of multiflora rose, wildlife borders, food or cover for production of wildlife. For more details, contact your county game protector or ASC office.

- d. Ponds and reservoirs for livestock water as means of protecting vegetative cover.

The water must be piped or diverted from the pond to land not in the conservation reserve. Water cannot be used to irrigate crops on land not in the conservation reserve.

- e. Construction of dams and ponds for fish.
- f. Water and marsh management to benefit fish and wildlife.

46. How will the payments be divided between landlords and tenants?

The share landlords and tenants will receive of the annual payment shall be on a fair and equitable basis and must be approved by the county ASC committee. The contract shall specify the basis of the diversion of the annual payments as agreed upon by the signers. Cost-share payments will be made to the person who finances the practices.

47. What provisions apply to tenant and landlord relationships?

No contract shall be entered into if it appears:

- a. The operator or landlord has reduced the number of acres of a tenant.
- b. The operator or landlord has reduced the number of tenants on the farm.
- c. The operator or landlord has increased his share of the crop and reduced the tenant's share.

d. There exists between operators, landlords, and tenant(s) an agreement:

- 1) To cause the tenant to pay over to the landlord or operator any compensation, or
- 2) To change the status with respect to land, or
- 3) To reduce the size of the tenant(s) share of the allotment, or
- 4) To increase rent to be paid by tenants or to decrease share of the crop received by the tenant.

48. Can conservation reserve contracts be changed?

A contract cannot be modified after the contract is signed except to change the cover practice. New contracts can be written for additional land prior to the 1960 contract year. The effective time period for the new land is independent of the other contract. The "soil bank base" will remain the same, but the permitted acreage will change.

49. What if I violate the conservation reserve contract?

If the violation is of such substantial nature as to warrant termination of the contract, all payments will be forfeited, and the farmer shall refund all such payments with interest at the rate of six per cent per annum.

If the violation does not warrant termination of the contract, the producer shall accept such compensation, adjustments, forfeit benefits, and make such refunds as may be deemed appropriate.

A civil penalty will be assessed against any producer who knowingly and willfully grazes or harvests any crop from any reserve acreage in violation of the contract. This penalty will be 50 per cent of the amount payable as cost-share and annual payments for the year in which the violation occurs.

It is in addition to any amount forfeited under the provisions of the contract.

*50. How can I determine whether I should participate in the conservation reserve program?

There are many factors to consider and no one answer can be given. An illustrative method follows which might be useful in determining the income possibilities from three alternatives. Blanks are provided for your values.

Farmer K has a 120-acre farm. For the last few years this farm has grown an average of 36 acres of corn, 12 acres of soybeans, 24 acres of small grain and 24 acres of meadow. The farm has a 12-acre semi-permanent meadow from which hay has been harvested in the last 2 years. The "soil bank base" is 72 acres (This example includes corn, soybeans, wheat and oats as "soil bank base crops"). The eligible cropland is 108 acres. The remaining 12 acres are not eligible for the conservation reserve because they include the woodlot, permanent pasture, wasteland, lane and farmstead.

Acres, yield, prices and costs are approximations for illustration purposes. Substitute your actual values to determine your best alternative.

NO PARTICIPATION IN CONSERVATION RESERVE

		Total Acres	Total Prod.	Price ^a / Value	Total Acres	Total Prod.	Price Value	Total Value
<u>Estimated Receipts:</u>					<u>My Farm</u>			
Corn	36	2520	\$1.10	\$2772.00	_____	_____	_____	_____
Soybeans	12	300	2.00	600.00	_____	_____	_____	_____
Wheat	15	375	1.70	637.50	_____	_____	_____	_____
Oats	9	450	.70	315.00	_____	_____	_____	_____
Hay	18	36	20.00	720.00	_____	_____	_____	_____
Pasture b/	18	36	5.00	180.00	_____	_____	_____	_____
	XXX	XXX	XXX	XXX	_____	_____	_____	_____
	XXX	XXX	XXX	XXX	_____	_____	_____	_____
Total	108			\$5224.00	_____	_____	_____	\$ _____

<u>Estimated Expenses:</u>				<u>My Farm</u>			
Seed			\$ 345.00				_____
Fertilizer and Lime			660.00				_____
Machine Hire			360.00				_____
Machinery, Auto, Fuel			850.00				_____
Miscellaneous, Supplies			145.00				_____
Taxes, Insurance			450.00				_____
Machinery Depreciation			800.00				_____
Building, Fence Depreciation			210.00				_____
Total			\$3820.00				\$ _____
Estimated Net			\$1404.50				\$ _____

PARTIAL PARTICIPATION IN THE CONSERVATION RESERVE

c/Acres Total Price d/Total					Acres Total Price Total			
Prod. Value					Prod. Value			
<u>Estimated Receipts:</u>					<u>My Farm</u>			
Corn	22	1540	\$1.40	\$2156.00				
Soybeans	14	350	2.00	700.00				
Wheat	12	300	1.80	540.00				
Oats	0	XXX	XXX	XXX				
Hay	6	12	20.00	240.00				
Pasture ^{b/}	6	12	5.00	60.00				
Soil Bank:	24	base @ 19.00		456.00				
		24 non-div. @ 9.50		228.00				
	XXX	XXX	XXX	XXX				
Total	108	XXX	XXX	\$4380.00				\$

<u>Estimated Expenses</u>					<u>My Farm</u>			
Seed				\$ 235.00				
Fertilizer and Lime				440.00				
Machinery Hire				120.00				
Machinery, Auto, Fuel				570.00				
Miscellaneous, Supplies				100.00				
Taxes, Insurance				395.00				
Machinery Depreciation				800.00				
Building, Fence Depreciation				180.00				
Total				\$2840.00				\$
Estimated Net e/				\$1540.00				\$

TOTAL PARTICIPATION IN CONSERVATION RESERVE

<u>Estimated Receipts</u>				<u>My Farm</u>			
Eligible acres: 108 @ 19.00 =			\$2052.00 (Estimated rate)				
10% bonus =			205.20				
Total			\$2257.20				\$
<u>Estimated Expenses</u>							
Machine Hire			\$ 162.00				
Miscellaneous, Supplies			25.00				
Taxes, Insurance			325.00				
Building, Fence Depreciation			160.00				
Other			XXX				
Total			\$ 672.00				\$
Estimated Net e/			\$1585.20				\$

- / Estimated market price
- / Hay Equivalent
- / Must comply with allotments on corn, wheat and tobacco.
- / Estimated price support level
- / Cost of cover crop and cost sharing payment not included.